



PSC NEWS

Missouri Public Service Commission

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UNSCHEDULED WINTER NATURAL GAS FILING APPROVED FOR MISSOURI PUBLIC SERVICE

Jefferson City (March 12, 2002)---Eastern System customers of Missouri Public Service will see **lower natural gas rates** under an unscheduled winter season filing approved by the Missouri Public Service Commission. This decrease primarily reflects a reduction in the wholesale cost of natural gas.

A residential customer currently pays \$1.08009 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.90992 per Ccf, a decrease of approximately 17 cents per Ccf. This would decrease a typical residential customer's bill \$27, or 13 percent for March when compared to the rates that are currently in effect.

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its supplier for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Missouri Public Service serves approximately 1,900 natural gas customers in its Eastern System in Phelps County.